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SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

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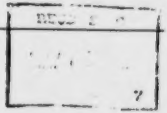
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended March 31, 1992



OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

34-22608

For the transition period from _____ to _____
Commission File Number 0-11654

FIBRONICS INTERNATIONAL INC.
(Exact name of registrant as specified in its charter)

Delaware	04-2629923
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Communications Way, Hyannis, MA 02601-1892
(Address of Principal Executive Office)
(Zip Code)

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16 16
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(508) 778-0700
(Registrant's telephone number, including area code)

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(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No _____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of May 12, 1992.

Common Stock, $.05 par value per share: 6,410,484 shares

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*The Balance Sheet at December 31, 1991 has been taken from the audited financial statements at that date. All other statements are unaudited.

FIBRONICS INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share amounts)

	March 31, 1992 (unaudited)	December 31, 1991 (audited)
ASSETS		
CURRENT ASSETS:		
Cash	$ 618	$ 238
Accounts receivable-Trade	11,196	14,295
-Government	1,717	1,706
Inventories	16,749	15,759
Prepaid expenses and other current assets	2,170	1,814
TOTAL CURRENT ASSETS	32,450	33,812
EQUIPMENT, FIXTURES AND IMPROVEMENTS - at cost, net of accumulated depreciation and amortization	6,772	6,915
OTHER ASSETS	6,355	6,399
	$45,577	$47,126
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable - banks	$ 7,376	$ 5,196
Accounts payable	6,112	5,860
Other accrued liabilities	5,808	6,996
Current portion of long-term debt	1,108	1,193
TOTAL CURRENT LIABILITIES	20,404	19,245
LONG-TERM DEBT	5,864	6,053
SHAREHOLDERS' EQUITY:		
Common stock, par value $.05 Authorized - 20,000,000 shares Issued and outstanding - 6,410,484 shares in 1992 and 6,340,984 in 1991	321	317
Additional paid-in capital	27,677	27,457
Deficit	(8,373)	(5,675)
Foreign currency translation adjustments	(316)	(271)
TOTAL SHAREHOLDERS' EQUITY	19,309	21,828
	$45,577	$47,126

See notes to consolidated financial statements.

FIBRONICS INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(Amounts in thousands, except per share amounts)

	Three Months Ended March 31,	
	1992	1991
REVENUES:		
Net sales	$11,567	$12,666
Service and contract revenues	1,136	1,381
Total revenues	12,703	14,047
COSTS AND EXPENSES:		
Cost of sales	6,657	5,945
Research and development, net	1,406	960
Selling, general and administrative	6,447	6,232
Restructuring charge	520	-
Total costs and expenses	15,030	13,137
OPERATING (LOSS) INCOME	(2,327)	910
INTEREST INCOME	10	8
INTEREST EXPENSE	(309)	(246)
OTHER EXPENSE, NET	(72)	(213)
(LOSS) INCOME BEFORE INCOME TAXES AND EXTRAORDINARY ITEM	(2,698)	459
PROVISION FOR INCOME TAXES	-	(161)
(LOSS) INCOME BEFORE EXTRAORDINARY ITEM	(2,698)	298
UTILIZATION OF NET OPERATING LOSS CARRYFORWARD	-	64
NET (LOSS) INCOME	$(2,698)	$ 362
PER SHARE OF COMMON STOCK:		
(Loss) Income before extraordinary item	$ (.42)	$ .05
Utilization of net operating loss carryforward	-	.01
Net (Loss) Income	$ (.42)	$ .06
Average shares used in calculation of (loss) income per share	6,365,462	6,573,789

See notes to consolidated financial statements.

FIBRONICS INTERNATIONAL INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(unaudited)
(Amounts in thousands, except share amounts)

	Common Stock Shares	Common Stock Amount	Additional Paid in Capital	Deficit	Foreign Currency Translation Adjustments	Total
BALANCE, January 1, 1991	6,301,484	$315	$27,267	$(2,400)	$ 17	$25,199
Exercise of Stock Options	25,750	1	136	-	-	137
Foreign Currency Translation Adj.	-	-	-	-	(103)	(103)
Net Income for the Three Months Ended March 31, 1991	-	-	-	362	-	362
BALANCE, March 31, 1991	6,327,234	$316	$27,403	$(2,038)	$(86)	$25,595
BALANCE, January 1, 1992	6,340,984	$317	$27,457	$(5,675)	$(271)	$21,828
Exercise of Stock Options	69,500	4	220	-	-	224
Foreign Currency Translation Adj.	-	-	-	-	(45)	(45)
Net (Loss) for the Three Months Ended March 31, 1992	-	-	-	(2,698)	-	(2,698)
BALANCE, March 31, 1992	6,410,484	$321	$27,677	$(8,373)	$(316)	$19,309

See notes to consolidated financial statements.

FIBRONICS INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(Amounts in thousands)

	Three Months Ended March 31,	
	1992	1991
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Loss) Income before extraordinary item	$(2,698)	$ 298
Utilization of net operating loss carryforward	-	64
Adjustments to reconcile net loss, income to net cash provided by (used in) operating activities:		
Depreciation and amortization	915	864
Effects of changes in working capital:		
Accounts receivable	2,744	(1,452)
Inventories	(979)	(1,887)
Prepaids and other current assets	(422)	105
Accounts payable, accrued liabilities and income taxes payable	(807)	(1,295)
Total adjustments	1,451	(3,665)
Net cash used in operating activities	(1,247)	(3,303)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment, fixtures and improvements, net	(438)	(346)
Capitalized software	(363)	(680)
Other assets	-	3
Net cash used in investing activities	(801)	(1,023)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings under lines of credit	2,305	2,352
Principal borrowings (payments) of debt	(97)	1,641
Proceeds from issuance of common stock, net	223	137
Net cash provided by financing activities	2,431	4,130
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(3)	77
INCREASE (DECREASE) IN CASH	380	(119)
CASH, BEGINNING OF PERIOD	238	369
CASH, END OF PERIOD	$ 618	$ 250

See notes to consolidated financial statements.

FIBRONICS INTERNATIONAL INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(Amounts in thousands)

1. CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated balance sheet as of March 31, 1992, the Consolidated Statements of Operations for the three months ended March 31, 1992 and 1991, and the consolidated statements of changes in shareholders' equity and cash flows have been prepared by the Company, without audit. In the opinion of management, all adjustments (which included only normal recurring adjustments) necessary to present fairly the financial position, results of operations, changes in shareholders' equity and changes in cash flows at March 31, 1992, and for all periods presented, have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted. It is suggested that these consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K (File No. 0-11654) filed on March 30, 1992. The results of operations for the period ended March 31, 1992 are not necessarily indicative of the operating results for the full year.

2. INVENTORIES:

Inventories are stated at the lower of cost or market, with cost being determined by the first-in, first-out method. Cost includes amounts paid for material, labor, and factory overhead. Inventory at December 31, 1991 was determined by a physical count of product, and at March 31, 1992 was determined from perpetual records.

Inventory consists of the following:

	March 31, 1992	December 31, 1991
Raw materials	$ 3,921	$ 3,875
Work in process	2,590	2,733
Finished goods	10,238	9,151
	$16,749	$15,759

3. RESEARCH AND DEVELOPMENT COSTS:

	Three Months Ended March 31,	
	1992	1991
Total expenditure for research and product development	$2,368	$2,155
Less:		
Capitalized software costs	372	679
Royalty-bearing participations	590	516
Net Expense	$1,406	$ 960

FIBRONICS INTERNATIONAL INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(Amounts in thousands)

4. OTHER (EXPENSE) INCOME, NET:

	Three Months Ended March 31,	
	1992	1991
Foreign Currency Translation (Losses) Gains, Net	$(46)	$(214)
Other Income (Expense), Net	(26)	1
	$(72)	$(213)

5. INCOME TAXES

Income taxes have been provided for in accordance with APB No. 11.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

REVENUES

Consolidated worldwide revenues were:

Three Months Ended March 31,	1992	1991	$ Increase (Decrease)	% (Decrease)
Product Revenue	$11,567	$12,666	$(1,099)	(8.7%)
Service and Other	1,136	1,381	(245)	(17.7%)
Total	$12,703	$14,047	$(1,344)	(9.6%)
% of Foreign Revenues	73%	77%		(4.0%)

The decrease in the Company's product revenues is attributable to two principal factors, the continuing weakness in worldwide economies and the delay by the Company of shipments of key new products which were previously announced to the market in 1991. The weak economic conditions have lead to price erosion in many of the Company's markets as well as the delay of capital purchases for networking projects. Both of these factors have contributed to a decline in revenues. The new products which have experienced delays, particularly the Company's new Multihub product line and more sophisticated high bandwidth products, are more technologically complex than many previous products. As a result, they unexpectedly consumed much greater time and expense in their development, resulting in slower than expected deliveries and lower profit margins.

The Company's product revenues for the first quarter have decreased by approximately 8.7% in total compared to the same quarter in the prior year. In the U.S., Germany and U.K. where the Company markets its products through its own sales and marketing operations, product sales have increased slightly compared to first quarter of 1991. In the rest of Europe and in Japan where its products are marketed by various forms of third party distributors, product sales have decreased significantly.

Service and other revenues have decreased in both dollar and percentage terms in the first quarter of 1992 compared to the same period in 1991. The decrease is attributable primarily to a single non-recurring sale of software licenses for approximately $275,000 in the first quarter of 1991.

GROSS MARGIN

Three Months Ended March 31,	1992	1991	Increase (Decrease)
Gross Margin - $	$6,046	$8,102	$(2,056)
Gross Margin - %	47.6%	57.7%	(10.1%)

The Company's gross margin is influenced by many complex factors. These factors include revenue mix (high vs. lower margin products; product vs. service revenues), sales channels (direct vs. distributor sales), geographic mix (U.S. vs. non-U.S.), product pricing and discounting practices, foreign exchange, changes in the cost of manufacturing, production and sales volumes, and the timing and success of new product introductions. The interrelationship of these elements is extremely complex.

During the first three months of 1992, a number of the factors mentioned above had an unfavorable influence on the Company's sales, resulting in a

significant decrease in gross margins compared to the first quarter of 1991. The most unfavorable factors were technical problems encountered with new products, increases in lower margin commodity-like products, decreases in higher margin mainframe connectivity products including software, decreases in high margin service and other revenues, and the strengthening of the U.S. dollar relative to the local currencies in certain non-U.S. markets which results in a lower dollar value of sales and gross margins. Each of these factors had a negative impact on the Company's margins.

RESEARCH AND DEVELOPMENT EXPENSES

Total expenditures in dollars and as a percent of total revenues were:

Three Months Ended March 31,

	1992		1991		Increase (Decrease) in R&D - net	
	$	%	$	%	$	%
R&D - gross	$2,368	18.6%	$2,155	15.3%	$213	3.3%
Participation	(590)	(4.6%)	(516)	(3.7%)	(74)	0.9%
Capitalization	(372)	(2.9%)	(679)	(4.8%)	307	(1.9%)
R&D - net	$1,406	11.1%	$ 960	6.8%	$446	4.3%

Gross R&D expenditures for the three month period ended March 31, 1992 increased in both dollar terms and as a percent of revenues compared to the same period in 1991. The dollar increase reflects both a continued emphasis on development of new products as well as considerable efforts devoted to resolving technical issues with selected existing products.

As indicated in the table above, the Company continues to receive significant amounts of royalty bearing participations from the Israeli government. Although the Company expects to receive additional funds from this source in the future, there is no guarantee that these participations will continue.

As shown above, the dollar amount of capitalized software has decreased by $307 in the first quarter of 1992 compared to the same quarter in 1991. The decrease is due to the adoption of a more conservative approach in the current quarter capitalization caused by the potential market uncertainty in future periods of a number of new products under development. Management has elected to reduce the amount capitalized and thus increase R&D expense-net in the current quarter to reflect this uncertainty.

The Company capitalizes software costs in accordance with the requirements of FASB 86, Capitalization of Software Costs. The FASB requirements also mandate that the Company continually reassess the net realizable value of these projects to determine if it is necessary to accelerate the amortization or writeoff of these capitalized amounts to reflect changes in the expected future benefits of the capitalized software development costs.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (S, G & A)

Selling, general and administrative expenses in total and as a percent of total revenues were:

Three Months Ended March 31,	1992	1991	Increase
S,G & A - $	$6,447	$6,232	$215
S,G & A - %	50.8%	44.4%	6.3%

S,G & A expenses increased significantly as a percentage of sales, but only $215 in total. The percentage increase is due to the decrease in revenues in the first quarter of 1992 compared to the same period in 1991. The dollar increase represents the Company's continued focus and commitment to building a strong sales, marketing and customer service organization in order to be in a position to take advantage of an improvement in economic conditions.

RESTRUCTURING CHARGE

Total for three months ended March 31, 1992 - $520

The Company recently began the implementation of a major restructuring plan to streamline its operations and focus resources on increasing marketing and sales productivity. While the plan of restructuring is still in the process of being finalized, it will result in the reduction of approximately 65 positions worldwide over the next several months. Management estimates that this will result in reducing costs by approximately $4 million annually, commencing in the third quarter of 1992. Following the restructuring, Fibronics' workforce will total approximately 410 employees. The estimated costs to be incurred in eliminating these positions, $520,000, have been charged to expense in the three months ended March 31, 1992.

The Company plans to consolidate worldwide research and development and manufacturing in the Company's facility in Haifa, Israel, in order to improve quality, reduce costs and reduce the time to market for new Fibronics products. Fibronics' sales and service organizations in the US and around the world will be reorganized to provide additional service and support capabilities for the Company's sales efforts. Fibronics' marketing is also being consolidated under the leadership of a single senior executive to provide stronger support for the international sales force.

Additional expenses will be incurred to complete the implementation of the restructuring and will be recorded when plans are final and reasonable estimates of the expenses can be made. The additional expenses, which may be material, could potentially involve the accrual of rentals and related costs of excess facilities, moving expenses and inventory writeoffs related to discontinued products. Management is currently considering various potential actions in these areas.

OPERATING INCOME (LOSS) FROM OPERATIONS

Operating Income (loss) in total and as a percent of total revenues were:

Three Months Ended March 31.	1992	1991	(Decrease)
Operating Income (loss) from Operations- $	$(2,327)	$910	$(3,237)
Operating Income (loss) from Operations- %	(18.3%)	6.5%	(24.8%)

Operating Income has decreased in total and as a percent of revenues in the first quarter of 1992 compared to the same period in 1991, due to the decline in gross margins and increases in R&D and S, G & A spending.

INTEREST EXPENSE

Interest expense in total and as a percent of total revenues were:

Three Months Ended March 31,	1992	1991	Increase
Interest expense - $	$309	$246	$63
Interest expense - %	2.4%	1.8%	.6%

Interest expense represents interest costs on borrowings to meet temporary working capital needs and to finance long-term investments in capital assets. The total worldwide level of borrowings has increased steadily during the last twelve months through the first quarter of 1992, due to the Company's decreasing revenue and profitability. These factors have necessitated increased borrowing in order to meet working capital needs. The Company will continue to require short-term bank borrowings to finance operations. The cost and availability of these borrowing sources will be affected by any significant change in short-term interest rates.

PROVISION FOR TAXES (EXTRAORDINARY CREDITS)

For the first three months of 1992, the Company did not record a provision for income tax expense due to the existence of operating losses in each of its major operating units. In addition, the Company has a substantial level of operating loss carryforwards in its operating units which would otherwise have eliminated or reduced any provisions for taxes on a local basis.

FINANCIAL CONDITION AND LIQUIDITY

	March 31,1992	December 31, 1991
	($ in thousands)	
Working Capital	$12,046	$14,567
Working Capital Ratio	1.6:1	1.8:1
Short-Term Debt (1)	$ 8,484	$6,389
Long-Term Debt	$ 5,864	$6,053
Unused Lines of Credit	$ 3,193	$4,943

(1) includes current portion of long-term debt.

During the three months ended March 31, 1992, the Company's working capital position has decreased due to operating losses sustained during the quarter. As a result, the Company increased short term borrowings over the levels in place at the end of 1991 in order to provide working capital. The increased level of short term borrowing was also required to finance $990 increase in inventory since December 31, 1992. The increase in inventories, substantially all which is in finished goods, is attributable to a lower than expected level of revenues during the first quarter of 1992.

At March 31, 1992, the Company had a total of $18,556 in available lines of credit, of which $15,443 was used in the form of short and long term borrowings and in transaction guarantees. The balance represents unused credit lines available to meet future working capital needs. These credit

lines are available from various secured short and long term credit facilities in the United States, Germany, Israel and England. In some cases, these credit lines may be utilized only to the extent that the Company has sufficient accounts receivable and inventory to satisfy collateral requirements set forth in the governing credit agreements.

As of March 31, 1992, the Company was not in compliance with certain financial covenants contained in credit agreements covering short and long term loan agreements with banks in the United States and Israel. The Company has informed the banks of these violations and is in the process of negotiating waivers and changes in these requirements.

A U.S. credit line totaling $1,500 expired in early May 1992. The Company is negotiating an extension of this agreement. In addition, the Company has also been informed by its other U.S. bank lender (an affiliate of an Israeli bank) that the Company must seek other credit sources to replace a $1,000 line of credit since the bank is considered an affiliate of the Company and must phase out its banking relationship with the Company.

Alternative sources of funds must be obtained in order for the Company to improve its liquidity and working capital position, to meet its obligations on a timely basis and to sustain operations at their current level. The Company is actively seeking funds from outside sources, including its current principal shareholder. It is anticipated that the savings from the restructuring will also contribute to meeting working capital requirements.

No assurance can be given that the Company will be able to successfully negotiate the credit extension or replacement line of credit referred to previously, or, secure the additional external sources of funds they are pursuing.

FIBRONICS INTERNATIONAL INC. AND SUBSIDIARIES

PART II. OTHER INFORMATION

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit 11 - Computation of Shares used to Calculate Consolidated Earnings per Share.

(b) There were no reports on Form 8-K filed in the three months ended March 31, 1992.

Exhibit 11

FIBRONICS INTERNATIONAL INC. AND SUBSIDIARIES

Computation of Shares used to Calculate
Consolidated Earnings (Loss) per Share

	Three Months Ended March 31,	
	1992	1991
Primary:		
Weighted average number of shares outstanding during the period	6,365,462	6,307,265
Additional Shares from assumed exercise of stock options-treasury stock method	-	266,524
Shares used in calculation of earnings per share	6,365,462	6,573,789
Fully Diluted: (A)	(B)	
Weighted average number of shares outstanding dufing the period	6,365,462	6,307,265
Additional shares from assumed exercise of stock options-treasury stock method	190,468	336,134
Shares used in calculation of earnings per share	6,555,930	6,643,399

(A) This calculation is submitted in accordance with the Securities Exchange Act of 1934 Release No. 9083, although not required by footnote 2 to paragraph 14 of APB Opinion No. 15, because it results in dilution of less than 3%.

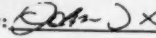
(B) This calculation is submitted in accordance with Regulation S-K, item 601 (b) (11) although it is contrary to paragraph 40 of APB Opinion No. 15 because it produces an anti-dilutive result.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FIBRONICS INTERNATIONAL INC.
(Registrant)

Date: May 13, 1992

By: 

John T. Hislop
Joint - chief Executive Officer and
Chief Financial Officer